Government of Saskatchewan

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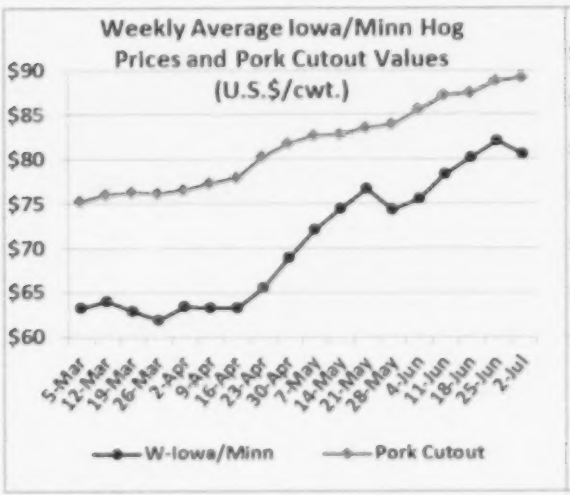
Weekly Hog Report

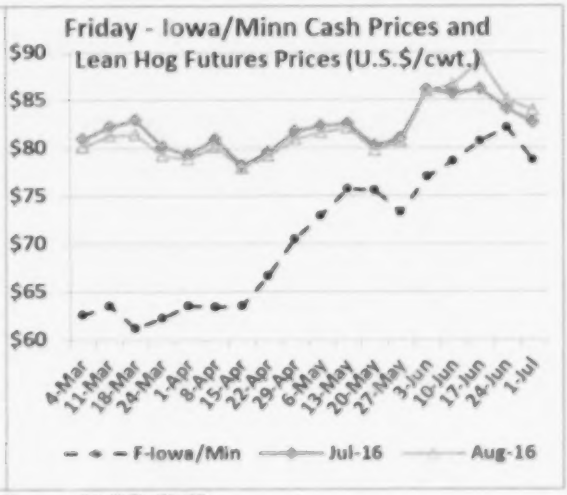
July 4, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower last week to end the week lower, week-over-week. Hog prices on Friday July 1 averaged US$78.65 per cwt, down US$3.38 per cwt or 4.1 per cent from US$82.03 per cwt the previous Friday. The negotiated base price last week averaged US$80.54 per cwt, down US$1.56 per cwt or 1.9 per cent from US$82.10 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

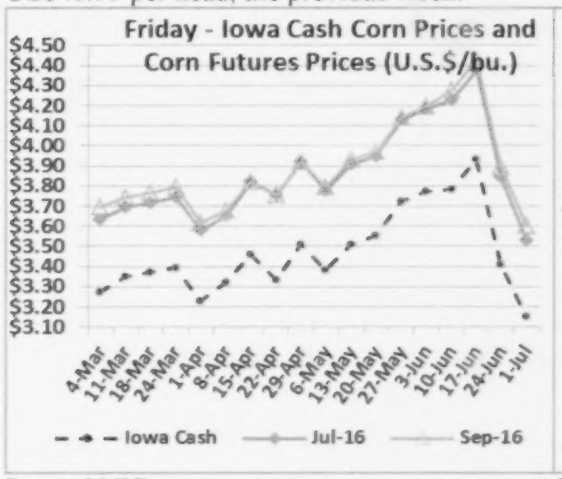
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Thursday June 30, 2016 was $190.45 per ckg, down $2.41 per ckg or 1.2 per cent from $192.86 per ckg the previous Friday. The Canadian dollar rebounded last week like most markets closing Friday at 77.42 cents, up 0.49 cents from 76.93 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week but ended the week lower, week-over-week. The nearby July contract moved US$1.375 per cwt lower to settle Friday at US$82.675 per cwt, while the August contract declined US$1.025 per cwt to settle Friday at US$83.950 per cwt. Cash prices were about US$4 per cwt lower than the July lean hog futures price and about US$5 per cwt lower than the August lean hog futures price.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$21.65 per head, up US$1.38 per head from US$20.27 per head the previous week. Feeders (40lb) averaged US$43.03 per head, down $3.50 per head from US$46.53 per head, the previous week.



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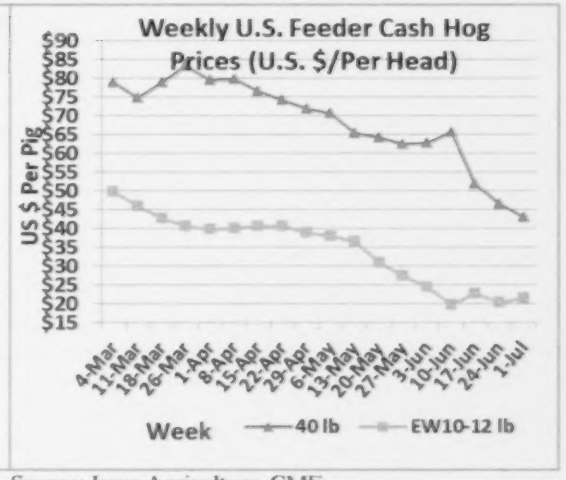


Source: Iowa Agriculture, CME

U.S. corn prices continued their big slide lower for the second consecutive week as improved moisture conditions in many areas alleviated some production concerns. The USDA June crop report also had some surprises helping move corn prices lower. U.S. corn acres for the current year were estimated at 94.1 million acres planted, up seven per cent from last year and potentially the third largest corn acres planted since 1944. The June grain stocks were estimated at 4.72 billion bushels of corn in storage at the start of June, about six per cent higher than a year ago. Both USDA corn inventory levels and planted acres were higher than pre-report estimates.

Iowa cash corn prices declined 26 cents last week to settle Friday at US$3.15 per bushel. U.S. daily corn futures prices were lower over the week with bigger declines Wednesday and Thursday to end the week significantly lower, week-over-week. The July 2016 corn contract declined over 31 cents to settle Friday at US$3.53 per bushel, while the September 2016 corn contract declined 29 cents to settle Friday at US$3.60 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending July 2 were estimated 2.115 million head, up 0.8 per cent from 2.098 million head the previous week, and up 13.8 per cent from 1.858 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending July 2 averaged 2.116 million head per week, up 2.6 per cent from 2.063 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending June 25, 2016 were estimated at 372,348 head, down 5.5 per cent from 394,106 head the previous week, and down 6.6 per cent from 398,524 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 388,970 head, down 2.0 per cent

from 396,986 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 10,190,720 head, up 1.8 per cent from 10,011,416 head over the same period in 2015.

Meat Production

U.S. pork production for the week ending July 2, 2016 was estimated at 448.0 million lb., up 0.6 per cent from 445.3 million lb. the previous week, and up 14.8 per cent from 390.3 million lb. the same week a year ago. Pork production over the last four week's ending July 2 was estimated to average 448.8 million lb., up 2.9 per cent from 436.0 million lb. over the same four week period a year ago.

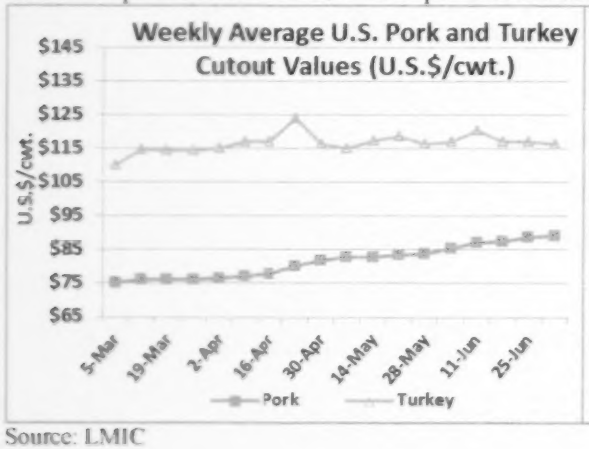
U.S. beef production for the week ending July 2 was estimated at 485.5 million lb., down 1.8 per cent from 494.2 million lb. the previous week, but up 13.6 per cent from 427.4 million lb. the same week a year ago.

Cutout Values

U.S. national pork cutout values for the week ending July 2, 2016 averaged US$89.19 per cwt, up 0.5 per cent or US$0.42 per cwt from US$88.77 per cwt the previous week, and up 9.2 per cent from US$81.70 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending July 2, 2016 averaged US$208.88 per cwt over the week, down US$7.94 per cwt or 3.7 per cent from US$216.82 per cwt the previous week, and down 17.1 per cent from US$252.09 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending July 2, 2016 averaged US$133.96 per cwt, up 12.1 per cent from US$119.48 per cwt the previous week, but down 6.1 per cent from US$142.65 per cwt the same week a year ago.



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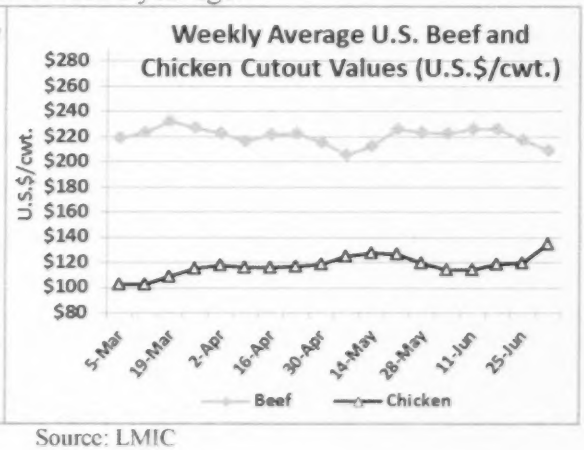

Source: LMIC

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